



News Release

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**City encourages businesses to take advantage of
six month amnesty for business tax violators**

RIVERSIDE, Calif – Time is ticking for businesses to take advantage of the six-month amnesty for business tax violators launched this past September. Businesses that don't have a business tax certificate and have not previously been identified by the City's enforcement efforts can obtain one without incurring any penalties.

City finance officials want businesses to know there is still time to participate. The amnesty period ends February 28, 2011.

All businesses that generate income in the city – from mom and pop businesses to large corporations – must pay an annual city business tax according to city ordinance. The amount of the tax depends on the size and type of business. The minimum tax is between \$108 and \$130 for a typical small business, and the tax increases based on the size of the business.

Every year, millions of dollars of tax revenue is lost due to businesses that have not paid their business tax. Sometimes a business holds a license in another city, but works here without paying the Riverside tax.

"It's an unfair burden on those who follow the rules and pay the business tax," said Nancy Hart, chair of the city's finance committee. "It's revenue lost that could support community centers, libraries and roads."

Businesses, large or small, that have to pay the business tax due will have their tax assessed for the last three years, finance officials said. But penalties, which can be as much as 100 percent or more, will not be assessed during the amnesty period.

"We don't want to unfairly penalize those businesses that may not have realized that they need to pay a Riverside business tax," said Paul Sundeen, chief financial officer of the city. "So this amnesty is an ideal way to get them onboard without incurring any penalties, which can be substantial."

At the end of six months, the city will ask local businesses to voluntarily provide a listing of their vendors. Small businesses will not be contacted. If a vendor does not have a business tax certificate, they will be contacted by the city and given another 60 days to pay the tax and comply with the ordinance. After that time, the full amount, including penalties, will be sought from the business.

For more information, refer to the City's business tax webpage at www.riversideca.gov/finance/license.asp.

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